

NEW JERSEY DIVISION OF TAXATION TECHNICAL BULLETIN

TB-47 R2

ISSUED: 7-21-06

TAX: DOMESTIC SECURITY FEE

TOPIC: MOTOR VEHICLE RENTALS

Assembly bill A-4715, signed into law July 8, 2006, provides for an increase in the statutory assessment on motor vehicle rental companies from \$2.00 to \$5.00 per day to be paid to the Division of Taxation for each day or part thereof that a motor vehicle is rented under rental agreements of not more than 28 days. The increased fee applies with respect to all rental agreements in New Jersey in effect on or after July 8, 2006. The fee is separate from and in addition to any sales tax imposed on the cost of the rental transaction and is not to be included in the receipts subject to sales tax liability imposed pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The fee is designated as the "Domestic Security Fee" in the rental agreement and paid to the Division of Taxation for deposit in the New Jersey Domestic Security Account of the General Fund.

Pursuant to the rule making authority granted to the Director of the Division of Taxation under the Administrative Procedure Act, P.L. 1968, c. 410 (N.J.S.A. 52:14B-1 et seq.) and P.L. 1966, c. 30 (N.J.S.A. 54:32B-1), the Division previously adopted Administrative Code regulation N.J.A.C. 18:40-1.1 et seq. This regulation provides guidelines and procedures for the implementation of the above legislation and will be amended to set forth the increased fee. The fee may be filed telephonically or online. Filing instructions can be found at

http://www.state.nj.us/treasury/taxation/pdf/other_forms/dsf100phonein.pdf.

The increased fee will be paid on a quarterly basis, due the last day of the month next following the close of the calendar quarter.

All inquiries concerning the fee should be directed to: New Jersey Division of Taxation, 50 Barrack Street, P.O. Box 269, Trenton, New Jersey 08695-0269 or by e-mailing the Division at http://www.state.nj.us/treasury/taxation/contactus_tyttaxa.shtml.

Issued by:

Regulatory Services

Technical Services Activity

NJ Division of Taxation